

STATE OF CALIFORNIA
DEPARTMENT OF FINANCIAL INSTITUTIONS
TEXT OF REGULATORY ACTION

1. Repeal 10. C.C.R. §5.2000:

~~§5.2000. The Political Reform Act.~~

~~Government Code Sections 81000, et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, 2 C.C.R. Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings. Therefore, the terms of 2 C.C.R. Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission, along with the definitions set forth or referred to in Subarticle 2 (commencing with Section 10.100) of Article 1 of Subchapter 10 of this Chapter and the following Appendix in which officials, employees, and consultants are designated and disclosure categories are set forth, are hereby incorporated by reference, and together with the provisions of this Article 3 constitute the Conflict of Interest Code of the State Banking Department.~~

~~Designated employees shall file statements of economic interests with the Administrative Services Unit of the Department. The Department shall make the statements available for public inspection and reproduction (Gov. Code Section 81008). Upon receipt of the statements from Category A designated employees, the Department shall make and retain copies and forward the originals to the Fair Political Practices Commission. Statements of economic interests filed by other than Category A designated employees shall be retained by the Department.~~

~~Note: Authority cited: Sections 87300 and 87306, Government Code. Reference: Sections 87300-87302, Government Code.~~

Appendix

Designated Employees

Position Title	Disclosure Category
Superintendent of Banks	A
Consultants ¹	A
Chief Deputy Superintendent of Banks	B,D
Senior Deputy Superintendent of Banks	B,D
Chief State Bank Examiner	B,D
Deputy Superintendent of Banks	B
Deputy Superintendent of Banks (EDP)	B,E
Supervising Bank Examiner	B
Supervising Bank Examiner (EDP)	B,E
Bank Examiner IV (Supervisor)	B
Bank Examiner IV (Specialist)	B
Bank Examiner C Assigned to Investigations	C
Chief Counsel	C
Assistant Chief Counsel	C
Senior Staff Counsel	C
Staff Counsel	C
Staff Services Manager II (Managerial)	D
Senior Accounting Officer	D

¹ Consultants are included in the list of designated employees in Category A, and shall disclose pursuant to the requirements of this disclosure category subject to the following limitation: The Superintendent may determine in writing that a particular consultant, although a "designated employee," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's duties and based upon that description, a statement of the extent, if any, of disclosure requirements. The Superintendent's determination is a public record and shall be retained by the Department and made available for public inspection with a copy of the Department's Conflict of Interest Code upon proper request.

Disclosure Categories

Category A:

The following are reportable interests for each designated employee in this disclosure category:

All investments, income, business positions, and interests in real property.

Category B:

The following are reportable interests for each designated employee in this disclosure category:

All interests in real property, and all investments and business positions in, and all income from, any subject institution.²

Category C:

The following are reportable interests for each designated employee in this disclosure category:

All investments and business positions in, and all income from, any subject institution.

Category D:

The following are reportable interests for each designated employee in this disclosure category:

² "Subject institution," as used in Category B and Category C, means all of the following, any affiliate of any of the following, any attorney, accountant, economist, or business consultant who regularly provides services to any of the following, or any banking or savings and loan or savings bank trade organization of which any of the following is a voting member:

(1) Any California bank.

(2) Any foreign bank which, or a representative of which, operates an office or offices in California and is licensed by the Superintendent under the Banking Law or by the Office of the Comptroller of the Currency.

(3) Any international banking corporation organized under the laws of the State of California, or any other international banking corporation which, or a representative of which, maintains an office in the State of California.

(4) Any person which is licensed by the Superintendent under Chapter 14 (commencing with Section 1800) of the Banking Law.

(5) Any person which is licensed by the Superintendent under Chapter 14A (commencing with Section 1851) of the Banking Law.

(6) Any person which is licensed as a check seller under Division 3 (commencing with Section 12000) of the Financial Code.

(7) Any person which is licensed by the Superintendent under Division 15 (commencing with Section 31000) of the Financial Code.

(8) Any person which is licensed by the Superintendent under Division 16 (commencing with Section 33000) of the Financial Code.

(9) Any savings and loan association or savings bank organized under the laws of the State of California or any other savings and loan association or savings bank which maintains an office in the State of California.

~~All investments and business positions in, and sources of income from, business entities which provide goods, services, supplies, materials, machinery, or equipment of the type utilized by the Department or which provide office space leased to or rented by the Department, and all interests in real property leased to or rented by the Department.~~

Category E:

~~The following are reportable interests for each designated employee in this disclosure category:~~

~~All investments and business positions in, and sources of income from, business entities which provide goods, services, supplies, materials, machinery, or equipment of the type utilized by the Department in performing electronic data processing functions.~~

2. **Add 10 C.C.R. §5.2000:**

§5.2000. Scope.

This Article contains regulations setting forth the Department's conflict of interest code as required by the Political Reform Act of 1974 (Government Code Section 81000 *et seq.*).

Note: Authority cited: Sections 87300 and 87306, Government Code. Reference: Sections 87300-87302, Government Code.

3. **Add 10 C.C.R. §5.2001:**

§5.2001. Conflict of Interest Code.

(a) The provisions of 2 C.C.R. §18730 and any changes to it adopted by the Fair Political Practices Commission are hereby incorporated by reference. The provisions of 2 C.C.R. §18730 and the Appendix to this Section which lists the designated employees of the Department and their disclosure categories constitute the Conflict of Interest Code of the Department.

(b) Designated employees shall file statements of economic interests with the Administrative Services Unit of the Department. The Department shall make the statements available for public inspection and reproduction (Government Code Section 81008). Upon receipt of the statements from designated employees assigned disclosure Category A, the Department shall make and retain copies and forward the originals to the Fair Political Practices Commission. Statements of economic interests filed by designated employees who are assigned disclosure categories other than Category A shall be retained by the Department.

Note: Authority cited: Sections 87300 and 87306, Government Code. Reference: Sections 87300-87302, Government Code.

Appendix to §5.2001

Designated Employees

<u>Position Title</u>	<u>Disclosure Category</u>
<u>Commissioner of Financial Institutions</u>	<u>A</u>
<u>Consultants¹</u>	<u>A</u>
<u>Chief Deputy Commissioner of Financial Institutions</u>	<u>A</u>
<u>Senior Deputy Commissioner of Financial Institutions</u>	<u>B</u>
<u>Chief State Examiner</u>	<u>B</u>
<u>Deputy Commissioner of Financial Institutions</u>	
<u> of the Division of Credit Unions</u>	<u>B</u>
<u>Deputy Commissioner of Financial Institutions</u>	<u>B</u>
<u>Financial Institutions Manager</u>	<u>B</u>
<u>Financial Institutions Supervisor</u>	<u>B</u>
<u>Senior Financial Institutions Examiner</u>	<u>B</u>
<u>Financial Institutions Examiner</u>	<u>B</u>
<u>Chief Counsel</u>	<u>C</u>
<u>Assistant Chief Counsel</u>	<u>C</u>
<u>Senior Staff Counsel</u>	<u>C</u>
<u>Staff Counsel</u>	<u>C</u>
<u>Research Program Specialist</u>	<u>C</u>
<u>Chief Administrative Officer</u>	<u>D</u>
<u>Staff Services Manager I (Supervisor)</u>	<u>D</u>
<u>Senior Accounting Officer</u>	<u>D</u>

¹Consultants are included in the list of designated employees in Category A, and shall disclose pursuant to the requirements of this disclosure category subject to the following limitation: The Commissioner may determine in writing that a particular consultant, although a "designated employee," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements in this Section. Such written determination shall include a description of the consultant's duties and based upon that description, a statement of the extent, if any, of disclosure requirements. The Commissioner's determination is a public record and shall be retained by the Department and made available for public inspection with a copy of the Department's Conflict of Interest Code upon proper request.

Disclosure Categories

Category A:

The following are reportable interests for each designated employee in this disclosure category:

All investments, income, business positions, and interests in real property.

Category B:

The following are reportable interests for each designated employee in this disclosure category:

All interests in real property, and all investments and business positions in, and all income from, any subject institution.²

²"Subject institution," as used in Category B and Category C, means any of the following, any affiliate of any of the following, any attorney, accountant, economist, or business consultant who regularly provides services to any of the following, or any bank, savings association, credit union, or industrial loan company trade organization of which any of the following is a voting member (The definitions set forth in Subarticle 2 (commencing with Section 10.100 of Article 1 of Subchapter 10 of Chapter 1 of Title 10 shall apply throughout this footnote.):

(1) Any California bank.

(2) Any foreign (other state) bank which maintains an office in the State of California.

(3) Any foreign (other nation) bank which maintains an office in the State of California that is licensed by the Commissioner or by the Comptroller of the Currency.

(4) Any international banking corporation organized under the laws of the State of California, or any other international banking corporation which, or a representative of which, maintains an office in the State of California.

(5) Any corporation which is licensed by the Commissioner under Chapter 14 (commencing with Section 1800) of Division 1 of the Financial Code.

(6) Any person which is licensed by the Commissioner under Chapter 14A (commencing with Section 1851) of Division 1 of the Financial Code.

(7) Any savings association organized under the Savings Association Law or any other savings association which maintains an office in the State of California.

(8) Any person which is licensed under Division 3 (commencing with Section 12000) of the Financial Code to engage in the business of a check seller.

(9) Any credit union organized under the Credit Union Law, or any corporation of similar type organized under the laws of the United States or of any state of the United States other than the State of California which maintains an office in the State of California.

(10) Any industrial loan company organized under the Industrial Loan Law, or any corporation of similar type organized under the laws of any state of the United States other than the State of California which maintains an office in the State of California.

(11) Any corporation which is licensed by the Commissioner under Division 15 (commencing with Section 31000) of the Financial Code.

(12) Any corporation which is licensed by the Commissioner under Division 16 (commencing with Section 33000) of the Financial Code.

Category C:

The following are reportable interests for each designated employee in this disclosure category:

All investments and business positions in, and all income from, any subject institution.

Category D:

The following are reportable interests for each designated employee in this disclosure category:

All interests in real property leased to or rented by the Department, and all investments and business positions in, and sources of income from, business entities which provide goods, services, supplies, materials, machinery, or equipment of the type utilized by the Department or which provide office space leased to or rented by the Department.

4. Repeal Article 3 (commencing with Section 102.300) of Subchapter 2 of Chapter 2 of Title 10:

~~Article 3. Conflict of Interest Code~~

~~§102.300. General Provisions.~~

~~—The Political Reform Act, Government Code Section 81000, et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, 2 California Code of Regulations Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission, along with the attached Appendix in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of the Department of Savings and Loan.~~

~~—Designated employees shall file statements of economic interests with the agency who will make the statements available for public inspection and reproduction.~~

~~(Government Code Section 81008.) Upon receipt of the statements of the Commissioner, the agency shall make and retain a copy and forward the original of these statements to the Fair Political Practices Commission.~~

~~NOTE:~~ Authority cited: Section 87300 and 87306, Government Code. Reference: Sections 87300-87302 and 87306, Government Code.

Appendix

Designated Position _____ Disclosure Category

Commissioner _____ I

Administrator _____ I

Assistant Commissioner _____ II

Examiner (all classifications)

*Consultant _____ III

Disclosure Categories

I. Designated employee in Category I shall report all investments, business positions, interests in real property and income.

~~II. Designated employees in Category II shall report the following:~~

~~(A) Any interest, either direct or indirect, in real property, the deed of trust or mortgage or other interest creating a lien therein of which is held by an association, its holding company or a subsidiary of the association or its holding company;~~

~~(B) Any investment or business position in, or income from, any security, whether stocks, bonds, debentures or any other security interest, of an association, its holding company or a subsidiary of the association or its holding company.~~

~~III. *Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:~~

~~The Savings and Loan Commissioner may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Savings and Loan Commissioner's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.~~